

**REMARKS/ARGUMENTS**

In this Amendment, claim 1, 14, and 32 are amended, claims 6 and 8-10 are canceled, and claims 34-37 are added. After entry of this Amendment, claims 1, 3, 14, 17-25, and 28-37 are pending and subject to examination on the merits.

Claim 1 is amended so that it includes the limitation in dependent claim 27. Since amended independent claim 1 is the same as previously submitted dependent claim 27, the amendment to claim 1 does not raise new issues requiring further search and/or consideration.

**I. Rejection under 35 U.S.C. §101**

In the Office Action, claims 1, 3, 6, 8-10, 14, 17-25, and 27-33 are rejected under 35 U.S.C. 101, because the claims are allegedly not tied to another statutory class. Applicants traverse this rejection.

Independent claims 1 and 14 are the only independent claims. Independent claim 1 recites a “database” in the body of the claim, and the preamble of independent claim 1 recites a “computer system.” Independent claim 14 recites a “database” and a “microprocessor” in the body of the claim and a “computer system” in the preamble. It is respectfully submitted that machines are recited in independent claims 1 and 14, and that all claims are therefore tied to a statutory class and satisfy 35 U.S.C. 101. Accordingly, withdrawal of the rejection is requested.

**II. Rejection under 35 U.S.C. §103**

**A. Hoffman (U.S. 7,249,080) and Perkel (U.S. 2002/0062273).**

Claims 1, 3, 6, 8, 9, 14, 17-25, and 29-32 are rejected under §103(a) as being unpatentable over Hoffman (U.S. 7,249,080) and Perkel (U.S. 2002/0062273). This rejection is traversed.

As noted above, to expedite the prosecution of this application, independent claim 1 is amended so that it includes the limitation in independent claim 27. As such, the rejection of

claim 1 in view of Hoffman and Perkel is obviated with respect to claim 1 and claims dependent thereon.

Obviousness has not been established with respect to independent claim 14 and claims dependent thereon, because all limitations are not taught or suggested by the cited art. For example, at least the following limitation is not taught or suggested by the cited reference:

wherein the set of rules includes a first subset of rules used to identify the first set of assets, and the first subset of rules includes

where a first security occupies more than 20% of the client's portfolio recommending a sale of the holdings in the first security, such that the first security will represent no more than 20% of the client's portfolio,

where a first group of securities are of a first sector type, and where the first group of securities are more than 20% above a recommended benchmark sector weight for the first sector type, recommending the sale of some of the securities in the first group to bring an exposure to the first sector type down to 10% above the recommended benchmark sector weight for the first security type, and

where an asset has a rating in the database that indicates poor future expected performance recommending the sale of the asset.

At pages 6-7 of the Office Action, the Examiner admits that this limitation is not taught by the cited references, but alleges that one would have “optimized” the prior art to arrive include this limitation to achieve “diversification.” The Examiner cites *In re Aller*, a case involving a chemical process claim, as support for the alleged “optimization.” Clearly, *In re Aller*, has no application to the present claims, as nothing in *the prior art* suggests that one would “optimize” the prior art with such specific rules.

In addition, the Examiner again uses the Applicant's own specification to reject the claims. As noted above, the Examiner alleges that one would have used the rules in claim 14 to “achieve diversification.” See page 7 of the Office Action. This is exactly what is described at page 9, line 25-26 of the specification, just preceding the supporting description of claim 14 (see page 11 of the specification). Rather than establishing that the prior art teaches or suggests

the invention of claim 14, the Examiner is simply reading the claim and concluding that the claims are obvious without providing any evidentiary support for the conclusion. Rather, the only place of record that describes claim 14 and the advantages thereof is Applicants' own specification, and it is clear that the Examiner has improperly used Applicants' own specification to reject Applicants' own claims.

**B. Hoffman, Perkel, and Ray (U.S. 6,018,722)**

Claim 10 is rejected under §103(a) as being unpatentable over Hoffman, Perkel, and Ray (U.S. 6,018,722). This rejection is traversed.

However, to expedite the prosecution of this application, claim 10 is canceled, so this rejection of claim 10 is obviated.

**C. Hoffman, Perkel, Bove (U.S. 7,149,713), and Applicant's alleged admission of the prior art**

Claim 27 is rejected as obvious over Hoffman, Perkel, Bove (U.S. 7,149,713), and Applicant's alleged admission of the prior art. This rejection is traversed.

As noted above, previously submitted claim 27 is the same as current independent claim 1. There are a number of reasons why previously submitted dependent claim 27 and current independent claim 1 are not obvious in view of the cited references.

*1. Obviousness has not been established, because all limitations are not taught or suggested by the prior art.*

Obviousness has not been established, because all limitations are not taught or suggested by the prior art. Here, a number of limitations are not taught or suggested by the cited art.

None of the cited references teaches or suggests "generating a plurality of tables wherein each asset of the one or more identified assets recommended to be sold is included in one of the tables, wherein each table corresponds to a reason that identifies the basis for recommending that assets contained in the table be sold, wherein the plurality of tables includes

a first table that lists assets to be sold to achieve a recommended asset allocation and a second table that lists assets to be sold due to poor ratings, and wherein the basis correlates to an investment strategy for the client's portfolio" as recited in independent claim 1.

At the carryover paragraph of pages 4-5 of the Office Action, the Examiner admits that this feature is not shown in the cited art, but alleges that "[m]odifying the layout of information such that the recommendations are placed in tables with each table corresponding to a basis for recommendation constitutes a mere rearrangement of data which does not patentably distinguish the claimed invention from the prior art."

In response, Applicants are not claiming "tables" *per se*. Rather, the limitation "generating a plurality of tables wherein each asset of the one or more identified assets recommended to be sold is included in one of the tables, wherein each table corresponds to a reason that identifies the basis for recommending that assets contained in the table be sold, wherein the plurality of tables includes a first table that lists assets to be sold to achieve a recommended asset allocation and a second table that lists assets to be sold due to poor ratings, and wherein the basis correlates to an investment strategy for the client's portfolio" includes tables of assets that are generated based on specific reasons. An example of this is shown in FIG. 9 in the present application where different tables correspond to different reasons for selling assets. As explained at page 15, lines 1-15 of the specification, the particular tables shown in FIG. 9 allow for communication between a financial client and a broker to proceed more efficiently.

Further, none of the cited references teaches or suggests a method comprising, *inter alia*, "receiving all the account numbers for a plurality of investment accounts the client has at a particular financial institution; receiving preferences wherein the preferences also include which of the plurality of accounts are to be included in financial advisory considerations; identifying assets held in the client's portfolio wherein the portfolio includes assets spread across the included accounts; and recommending placing assets into the included accounts in a tax efficient manner" as recited in independent claim 1. The Examiner alleges that the abstract and column 4, lines 48-67 of Bove teaches "receiving all the account numbers for a plurality of investment accounts at a particular financial institution; and recommending placing assets into

the included accounts in a tax efficient manner.” The abstract and column 4, lines 48-67 of Bove do not teach what the Examiner alleges that it teaches. The passages cited by the Examiner merely suggest that tax advantaged accounts exist, and that it is possible to buy stocks in tax advantaged accounts. Accordingly, none of the prior art teaches or suggests “receiving all the account numbers for a plurality of investment accounts the client has at a particular financial institution; receiving preferences wherein the preferences also include which of the plurality of accounts are to be included in financial advisory considerations; identifying assets held in the client's portfolio wherein the portfolio includes assets spread across the included accounts; and recommending placing assets into the included accounts in a tax efficient manner” and obvious has not been established for yet another reason.

2. *Obviousness has not been established, because through the improper use of “Official Notice,” the Examiner has improperly shifted the burden of proving non-obviousness to the Applicants before the Examiner has established *prima facie* obviousness.*

Obviousness has not been established, because through the improper use of “Official Notice,” the Examiner has improperly shifted the burden of proving non-obviousness to the Applicants before the Examiner has established *prima facie* obviousness. Here, at page 10 of the Office Action, the Examiner states:

**Regarding claim 27,**

Bove teaches receiving all the account numbers for a plurality of investment accounts the client has at a particular financial institution; recommending placing assets into the included accounts in a tax efficient manner (see abstract, column 4 lines 48-67). It would have been obvious to one skilled in the art at the time of invention to modify the method of providing financial advice of Hoffman further with recommending placing assets into the included accounts in a tax efficient manner. One skilled in the art would have been motivated to make the modification to reduce capital gains taxes.

Official Notice was taken in the prior Office action that receiving preferences specifying which accounts to include in financial advisory considerations was old and well known at the time of invention. For example, when one goes to a full service broker who manages multiple accounts, such as an IRA and an individual account, that person may specify the account in which he wants to receive financial advice. Applicant challenges the examiner's taking of Official Notice in each and every instance that is done in this Office Action and in future Office Actions (see Remarks 12/17/2008, pg. 15). However, the traversal is inadequate for the following reasons:

As per MPEP 2144.03,

**C. If Applicant Challenges a Factual Assertion as Not Properly Officially Noticed or Not Properly Based Upon Common Knowledge, the Examiner Must Support the Finding With Adequate Evidence**

To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111(b). See also Chevenard, 139 F.2d at 713, 60 USPQ at 241 ("[I]n the absence of any demand by appellant for the examiner to produce authority for his statement, we will not consider this contention."). A general allegation that the claims define a patentable invention without any reference to the examiner's assertion of official notice would be inadequate. If applicant adequately traverses the examiner's assertion of official notice, the examiner must provide documentary evidence in the next Office action if the rejection is to be maintained. See 37 CFR 1.104(c)(2). See also Zurko, 258 F.3d at 1386, 59 USPQ2d at 1697 ("[T]he Board [or examiner] must point to some concrete evidence in the record in support of these findings" to satisfy the substantial evidence test). If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding. See 37 CFR 1.104(d)(2). If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate.

The traversal is not adequate since it amounts to a general allegation that the claims define a patentable invention without any reference to the examiner's assertion of Official Notice. Applicant has not specifically pointed out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. Since applicant did not adequately challenge the Official Notice taken in the prior Office actions, the limitation is now construed as admission of prior art. If Applicant wishes to challenge the Official Notice again, then an adequate traversal must be provided.

It would have been obvious to one skilled in the art at the time of invention to modify the method of providing financial advice of Hoffman further with receiving preferences wherein the preferences also include which of the plurality of accounts are to be included in financial advisory considerations. The modification would have merely been the application of a known technique to a known method ready for improvement yielding predictable results.

The Examiner alleges that Applicants have somehow "admitted" that the features missing from previously submitted dependent claim 27 are "prior art," because Applicants'

traversal is not “adequate” and amounts to a general allegation that the claims define a patentable invention without any reference to the Examiner’s assertion of Official Notice.

This is simply incorrect. Applicants stated the following in Applicants’ prior Amendment:

Section 5 on page 12 of the currently pending Office Action, states that the claims 1, 2, 6, 8, 9, 10 and 14 are rejected under §103(a) as being unpatentable over Ray, in view of Reese, further in view of Hoffman, and in further view of Official Notice. However, in the following passages of the Office Action, the Examiner only discusses claim 27 and cites only Ray, Bove and Official notice as the cited references. Applicants assume that this rejection only refers to claim 27.

Pursuant to MPEP 2144.03, Applicants challenge the Examiner’s taking of Official Notice in each and every instance that this is done in this Office Action and in future Office Actions. Applicants further request that the Examiner find a prior art reference to support an allegation that a feature that is present in the claims is “well known.” If such feature is in fact “well known” in the art, then it should not be too burdensome for the Examiner to find and cite such references. Even if the Examiner can find a reference teaching an element for which Office Notice is taken, the reference may not be combinable with the other cited references or may teach away from the combination. Thus, Applicants cannot determine if the Examiner has satisfied his burden of establishing obviousness, unless prior art is cited to meet the claim limitations.

Contrary to the Examiner’s assertion, Applicants did not fail to reference the Examiner’s allegation of Official Notice. Applicants provided specific reasons why Applicants needed to see the evidence that the Examiner is relying upon to establish obviousness.

Even the passage cited by the Examiner in MPEP 2144.03 states: “If Applicant Challenges a Factual Assertion as Not Properly Official Noticed or Not Properly Based Upon Common Knowledge, the Examiner Must Support the Finding With Adequate Evidence.” (Emphasis added.) If the Examiner is alleging that such a feature is “well known,” then it should not be burdensome for the Examiner to find a reference supporting his position. The Examiner’s inability to cite this “well known” reference illustrates that the missing features are not well known when viewed in combination with the other limitations in the claims.

Applicants also submit that simply establishing that words or limitations in a claim are “well known” is insufficient to establish obviousness. As stated by the Court of Appeals for the Federal Circuit on numerous occasions, “[v]irtually all inventions are combinations and virtually all are combinations of old elements.” *Environmental Designs, Ltd. v. Union Oil Co.*, 713 F.2d 693, 698 (Fed. Cir. 1983). Accordingly, even if the Examiner can establish that a word or phrase in the present claims is “well known,” the Examiner is requested

to view the claim "as a whole" as required by 35 U.S.C. 103, and to not simply look at limitations in isolation.

**D. Hoffman, Perkel, and Official Notice**

Claims 28 and 33 are rejected as obvious over Hoffman, Perkel, and Official Notice. Applicants traverse this rejection.

Pursuant to MPEP 2144.03, Applicants challenge the Examiner's taking of Official Notice in each and every instance that this is done in this Office Action and in future Office Actions. Applicants further request that the Examiner find a prior art reference to support an allegation that a feature that is present in the claims is "well known." If such feature is in fact "well known" in the art, then it should not be too burdensome for the Examiner to find and cite such references. Even if the Examiner can find a reference teaching an element for which Office Notice is taken, the reference may not be combinable with the other cited references or may teach away from the combination. Thus, Applicants cannot determine if the Examiner has satisfied his burden of establishing obviousness, unless prior art is cited to meet the claim limitations.

**CONCLUSION**

Clearly, there are many more reasons why one would conclude that the claims are patentable, rather than unpatentable. For example, in order to establish obviousness, the Examiner must rely on “Official Notice” without any supporting evidence and must further rely on an “optimization” rationale, when there is no reason to “optimize” anything in the prior art. In addition to this, the Examiner has used Applicants’ own specification against them to reject the claims, and has improperly accused Applicants of “admitting” that their own invention is prior art when Applicants properly traversed the Examiner’s taking of Official Notice. Furthermore, in addition to these deficiencies, numerous limitations in the claims are not taught or suggested by the prior art. In view of the foregoing, Applicants believe that all claims now pending in this Application are in condition for allowance.

Please telephone the undersigned at 415-576-0200 with any questions.

Respectfully submitted,



Patrick R. Jewik  
Reg. No. 40,456

TOWNSEND and TOWNSEND and CREW LLP  
Two Embarcadero Center, Eighth Floor  
San Francisco, California 94111-3834  
Tel: 415-576-0200  
Fax: 415-576-0300  
PRJ  
62111764 v1